

PUBLIC DISCLOSURE

SEPTEMBER 11, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CAMBRIDGE PORTUGUESE CREDIT UNION

493 SOMERVILLE AVENUE
SOMERVILLE, MASSACHUSETTS 02143

DIVISION OF BANKS
1 SOUTH STATION
BOSTON, MA 02110

NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire local community, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **CAMBRIDGE PORTUGUESE CREDIT UNION** prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated “SATISFACTORY”

The credit union's compliance with the Community Reinvestment Act is evaluated based on five small institution performance criteria outlined in the Division's regulation 209 CMR 46.26. Cambridge Portuguese Credit Union's rating of “Satisfactory” is based upon the following performance criteria.

The credit union's average net loan-to-share ratio for the previous eight quarterly periods is 45.7 percent and is not considered to meet the standards for satisfactory performance. The ratio has reflected a steady decline during this period beginning with a ratio of 64.5 percent and ending with a ratio of 32.7 percent.

Lending within the assessment area represented 56.7 percent of consumer loans and 76 percent of first mortgages, which is considered to meet the standards of satisfactory performance. In addition to generating loans within the assessment area, the credit union also took applications on mortgage loans which it sold to Allnach Mortgage Company. Approximately 60.7 percent of all these loans were for properties inside the assessment area.

An analysis of a sample of the credit union's consumer loans and all first mortgage loans by borrower income revealed that 100 percent of the sample of consumer loan originations and 68.8 percent of first mortgages were granted to members of low and moderate-income. This criteria was found to exceed the standards for satisfactory performance.

An analysis of the credit union's lending activity by geographic distribution revealed that 68.7% of mortgage originations were granted within moderate-income census tracts. This performance was found to be satisfactory.

The credit union's fair lending performance is considered to meet the standards for satisfactory performance.

At the credit union's request, its investments, primarily contributions, and services were considered. The credit union has made meaningful contributions to local social programs and agencies that benefit low and moderate-income local residents . As mentioned above, the credit union performed additional services in originating and referring mortgages to Allanach Mortgage Company.

PERFORMANCE CONTEXT

Description of Institution

Cambridge Portuguese Credit Union is a community-based credit union chartered by the Commonwealth of Massachusetts in 1928. The credit union was established to serve the credit needs of persons of Portuguese descent and their relatives and friends who reside or work in the Commonwealth of Massachusetts. The main office of the credit union is located at 493 Somerville Avenue, Somerville with a branch located at 251 Hampshire Street, Cambridge. A branch in Lowell was closed in 2003. The current credit union's office hours are from 9:00 a.m. to 4:00 p.m. Monday through Wednesday; from 9:00 a.m. to 6:00 p.m. on Thursday; from 9:00 a.m. to 7:00 p.m. on Friday; and 9:00 a.m. to 12:30 p.m. on Saturday. Hours of operation appear convenient and accessible to members.

As of June 30, 2003, the institution's total assets were \$81,417,431 with total loans representing \$24,770,201 or 30.4 percent of total assets. The majority or 50.5 percent of the credit union's loan portfolio represents first mortgage loans, followed by used vehicle loans at 26.6 percent. Refer to the following table for more details.

LOAN PORTFOLIO COMPOSITION		
LOAN TYPE	\$ AMOUNT (000's)	%
FIRST MORTGAGE	\$12,512,126.00	50.5%
USED VEHICLE	\$ 6,580,793.00	26.6%
ORE	\$ 2,116,324.00	8.5%
NEW VEHICLE	\$ 1,009,825.00	7.8%
LINES OF CREDIT	\$ 1,921,793.00	4.1%
SHARE SECURED	\$ 629,340.00	2.5%
TOTALS	\$24,770,201.00	100%

June 30, 2003 NCUA Call Report of Condition

Members are provided with direct deposit for payroll and automatic payroll deductions for loan payments.

The credit union applied for and was granted parity to grant automobile loan financing on a direct and indirect basis up to 100 percent of the value of the collateral, up to \$80,000 for a term up to 7 years, and was also granted permission to purchase and sell loan portfolios.

During the examination period, management stated that based upon its revised business strategy, it was decided to discontinue its origination of first mortgage loans..

Subsequently, the credit union sold its existing portfolio mortgages to FNMA and referred potential first mortgage applicants to Allanach Mortgage Company. As of June 2003, the credit union once again began offering fixed rate and adjustable rate first mortgages.

Competition within the credit union's assessment area includes a variety of community based and industrial credit unions, small loan companies, community banks and larger regional banks. Given its asset size and limited resources, Cambridge Portuguese Credit Union has been adequate in helping to meet the credit needs of its assessment area.

The credit union was last examined for compliance with the Community Reinvestment Act by the Division of Banks on February 10, 1999. That examination resulted in a High Satisfactory rating.

Description of Assessment Area

Cambridge Portuguese Credit Union has identified two separate geographic areas as its assessment areas. The Somerville Assessment Area consist of the cities and towns of Somerville, Cambridge, Arlington and Medford, all of which are located within the Boston Metropolitan Statistical Area (MSA). The Lowell Assessment Area consists of the cities and towns of Lowell, Dracut, Chelmsford, Tyngsborough, Tewksbury and Billerica.

The Somerville Assessment Area

As depicted in the table below, the Cambridge Portuguese Credit Union's Somerville Assessment Area includes 64 census tracts. One census tract or 2 percent is designated as low-income; 22 or 34 percent of census tracts are designated as moderate-income; 30 or 47 percent are designated as middle-income and 11 or 17 percent are designated as upper-income. The one low-income census tract is located within the City of Cambridge.

Somerville Assessment Area by Census Tract Income Level					
Location	Low	Moderate	Middle	Upper	Total
Somerville	0	8	7	0	15
Cambridge	1	11	11	7	30
Arlington	0	0	4	4	8
Medford	0	3	8	0	11
Total	1	22	30	11	64

2000 Census Data

Housing information based on 2000 census data on the credit union's assessment area indicated a median owner-occupancy level of 39 percent and a median home value of \$310,749. The minority population within the assessment area represented 25 percent of the population, with individuals of Asian origin representing the largest percentage with 8 percent.

The Lowell Assessment Area

As indicated in the table below, the credit union's Lowell Assessment Area includes 53 census tracts. Eight census tracts or 15 percent are designated as low-income; 14 census tracts or 26 percent are designated as moderate-income; 20 census tracts or 38 percent are designated as middle-income and 11 census tracts or 21 percent are designated as upper-income.

Lowell Assessment Area by Census Tract Income Level					
Location	Low	Moderate	Middle	Upper	Total
Lowell	8	14	4	0	26
Dracut	0	0	4	1	5
Chelmsford	0	0	2	5	7
Tyngsborough	0	0	1	1	2
Tewksbury	0	0	3	3	6
Billerica	0	0	6	1	7
Total	8	14	20	11	53

2000 Census Data

Housing information based on 2000 census data on the credit union's assessment area indicated a median owner-occupancy level of 64 percent and a median home value of \$165,343. The minority population within the assessment area represented 20 percent with individuals of Asian origin representing the largest percentage with 9 percent.

The credit union's assessment area in total represents 9 census tracts or 7 percent which are designated low-income, 36 census tracts or 31 percent which are designated moderate-income, 50 census tracts or 43 percent which are designated middle-income and 22 census tracts or 19 percent which are designated upper-income.

The credit union's membership (per its bylaws) is limited to persons of Portuguese descent or extraction by birth or marriage, and their relatives and friends, who reside or work in the Commonwealth of Massachusetts or other entities.

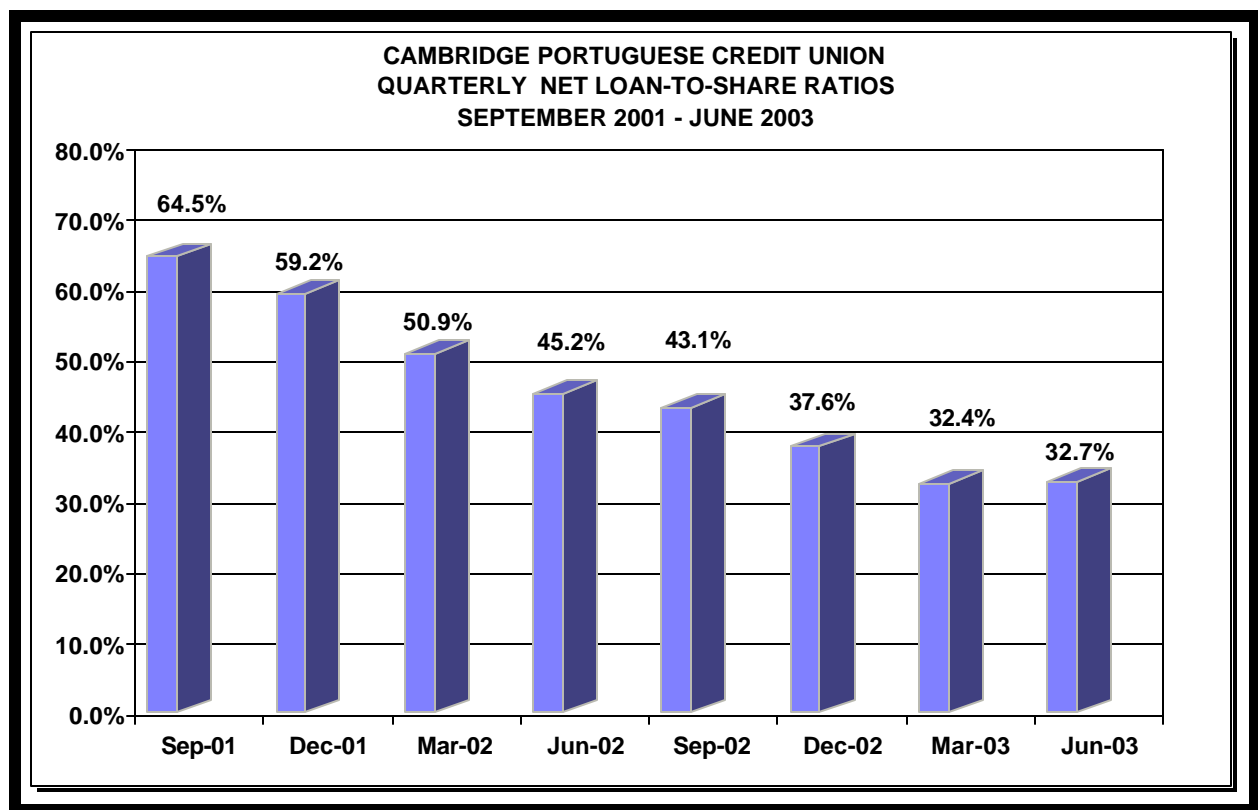
PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT (SHARE) ANALYSIS

The first criterion evaluated is the credit union's net loan to total deposit ratio. The average net loan to total share ratio was determined to be 45.7 percent and is considered to meet the standard for satisfactory performance.

A comparative analysis of Cambridge Portuguese Credit Union's net loan-to-share ratios for the period September 2001 through June 30, 2003 was conducted during this examination. The analysis incorporated net loans to total share figures from the institution's NCUA Call Reports of Condition.

The following graph illustrates the loan to share trends.



Source: NCUA Call Reports

The loan-to-share ratio in the above graph reflects a decreasing trend. The loan to share ratio decreased by slightly over 50 percent during this time period, going from a high of 64.5 percent in September, 2001 to a low of 32.7 percent in June, 2003.. Management indicated that in 1999, a revised business strategy caused the credit union to reduce its

mortgage lending and refer potential mortgage applicants to Allanach Mortgage Corporation. Alternatively the credit union sold mortgages to FNMA on the secondary mortgage market.

The following table illustrates the loan-to-share ratios, as of June 2003, for comparable community credit unions with similar asset sizes. Cambridge Portuguese Credit Union's loan-to-share ratio is weak when compared to these institutions.

COMPARATIVE LOAN TO SHARE RATIOS	
Cambridge Portuguese Credit Union	32.7%
Community Credit Union of Lynn	58.0%
Saint Jean Credit Union	60.7%

Based on the above information including the institution's capacity to lend, the lending capacity of similarly-situated institutions doing business within the assessment area, demographic and economic factors present in the assessment area, and the lending opportunities available within the assessment area, the credit union's loans-to-share ratio does not meet the standards for satisfactory performance

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA (S)

A review of Cambridge Portuguese Credit Union's consumer loans extended inside and outside of the assessment area for 2001, 2002 and YTD 2003, was conducted during the examination. Information from the NCUA call reports of condition indicated the credit union originated 1,530 consumer loans totaling \$11,823,144 in 2001; 659 consumer loans totaling \$6,347,331 in 2002; and 401 consumer loans totaling \$4,665,949 as of June 30, 2003. In addition, the credit union resumed its mortgage lending in 2003 and a review of the year-to-date 2003 mortgage loans was conducted.

Consumer Lending

A review of a sample of 60 consumer loan originations by number for 2001, 2002 and year-to-date August 2003 was conducted during the examination. A total of 34 loans or 56.7% were originated within the credit union's assessment area.

Consumer Loans by Number of Originations

Location	2001		2002		Y-T-D 2003		TOTAL	
	#	%	#	%	#	%	#	%
<i>Somerville Assessment Area</i>								
Somerville	1	5.0	4	20.0	6	30.0	11	18.3
Cambridge	0	0.0	1	5.0	2	10.0	3	5.0
Arlington	1	5.0	0	0.0	0	0.0	1	1.7
Medford	1	5.0	0	0.0	0	0.0	1	1.7
Total Somerville Assessment Area	3	15.0	5	15.0	8	40.0	16	26.7
<i>Lowell Assessment Area</i>								
Lowell	8	40.0	5	25.0	2	10.0	15	25.0
Dracut	0	0.0	1	5.0	0	0.0	1	1.7
Tyngsborough	0	0.0	0	0.0	0	0.0	0	0.0
Chelmsford	0	0.0	0	0.0	0	0.0	0	0.0
Tewksbury	0	0.0	0	0.0	1	5.0	1	1.7
Billerica	0	0.0	0	0.0	1	5.0	1	1.7
Total Lowell Assessment Area	8	40.0	6	30.0	4	20.0	18	30.0
<i>Total Inside and Outside</i>								
Total Inside Assessment Area	11	55.0	11	55.0	12	60.0	34	56.7
Outside Assessment Area	9	45.0	9	45.0	8	40.0	26	43.3
Total	20	100%	20	100%	20	100%	60	100%

Source: In-House Files

A review of the sample of consumer loans originations by dollar amount was also conducted during the examination. This information indicated that a total of \$632,000 in consumer loans was originated during this period. A total of \$341,000 or 53.9% was the total dollar amount originated within the credit union's assessment area.

Consumer Loans by Dollar Amount of Originations

Location	2001		2002		Y-T-D 2003		TOTAL	
	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%
<i>Somerville Assessment Area</i>								
Somerville	4	2.5	34	16.7	77	29.5	115	18.2
Cambridge	0	0.0	22	10.8	22	8.4	44	7.0
Arlington	2	1.2	0	0.0	0	0.0	2	0.3
Medford	14	8.3	0	0.0	0	0.0	14	2.2
Total Somerville Assessment Area	20	12.0	56	27.5	99	37.9	175	27.8
<i>Lowell Assessment Area</i>								
Lowell	64	38.3	44	21.6	28	10.7	136	21.6
Dracut	0	0.0	14	6.8	0	0.0	14	2.2
Tyngsborough	0	0.0	0	0.0	0	0.0	0	0.0
Chelmsford	0	0.0	0	0.0	0	0.0	0	0.0
Tewksbury	0	0.0	0	0.0	6	2.3	6	0.9
Billerica	0	0.0	0	0.0	10	3.8	10	1.6
Total Lowell Assessment Area	64	38.3	58	28.4	44	16.8	166	26.3
<i>Total Inside and Outside</i>								
Total Inside Assessment Area	84	50.3	114	55.9	143	54.8	341	53.9
Outside Assessment Area	83	49.7	90	44.1	118	45.2	291	46.1
Total	167	100%	204	100%	261	100%	632	100%

Source: In-House Files

Mortgage Lending

The table below indicates that the credit union originated 21 HMDA- reportable mortgage loans as of YTD September 2003. A total of 16 loans or 76.0% were originated within the credit union's assessment area. The City of Somerville represented the highest number of residential loan originations with 8 or 38.1%, followed by the City of Medford with 3 or 14.3%.

Mortgage Loans by Number of Originations

Y-T-D 2003		
Location	#	%
<i>Somerville Assesment Area</i>		
Somerville	8	38.1
Cambridge	1	4.7
Arlington	0	0.0
Medford	3	14.3
Total Somerville Assessment Area	12	57.1
<i>Lowell Assessment Area</i>		
Lowell	0	0.0
Dracut	0	0.0
Tyngsborough	0	0.0
Chelmsford	2	9.5
Tewksbury	1	4.7
Billerica	1	4.7
Total Lowell Assessment Area	4	18.9
<i>Total Inside and Outside</i>		
Total Inside Assessment Area	16	76.0
Outside Assessment Area	5	24.0
Total	21	100%

Source: In-House Files

A review of the credit union's residential mortgage originations by dollar amount was also conducted during the examination. This information indicated that the credit union originated \$2,921,000 in residential loans. Of that total, \$2,366,000 or 81.0 percent was originated within the credit union's assessment area.

Mortgage Loans By Dollar Amount Of Originations

Y-T-D 2003		
Location	\$(000)	%
<i>Somerville Assesment Area</i>		
Somerville	1,190	40.7
Cambridge	200	6.8
Arlington	0	0.0
Medford	421	14.4
Total Somerville Assessment Area	1,811	61.9
<i>Lowell Assessment Area</i>		
Lowell	0	0.0
Dracut	0	0.0
Tyngsborough	0	0.0
Chelmsford	155	5.4
Tewksbury	200	6.8
Billerica	200	6.8
Total Lowell Assessment Area	555	19.0
<i>Total Inside and Outside</i>		
Total Inside Assessment Area	2,366	81.0
Outside Assessment Area	555	19.0
Total	2,921	100%

Source: In-House Files

As mentioned above, Cambridge Portuguese Credit Union made the decision to discontinue making mortgage loans directly in 2001, although it served as a broker in taking applications and referring such applications to Allanach Mortgage Company. The credit union made 52 such referrals in 2001, 41 referrals in 2002 and 12 referrals in 2003, or 105 in total, representing 61.2 percent of all referrals inside the assessment area.

Cambridge Portuguese Credit Union's loan distribution reflects an acceptable dispersion throughout its assessment area. Therefore, the institution's level of lending within its assessment area meets the standards for satisfactory performance.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

An analysis of consumer loans extended within the credit union's assessment area, among various income levels was conducted. Originations were categorized by the ratio of the applicant's reported income to the 2001, 2002 and 2003 Metropolitan Statistical Area (MSA) incomes. The credit union's assessment area includes cities and towns located in the Boston-New Hampshire MSA and the Lowell-New Hampshire MSA. The median family income for the Boston-New Hampshire MSA was \$70,000 for 2001, \$74,200 for 2002 and \$80,800 for 2003. The median family incomes for the Lowell-New Hampshire MSA were \$70,200 for 2001, \$75,200 for 2002 and \$79,700 for 2003. Income figures were based on estimated 2001, 2002 and 2003 data from the Department of Housing and Urban Development (HUD).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA; moderate income is defined as 50 to 79 percent of the median family income; middle income is defined as income between 80 and 119 percent of the median family income; and upper income is defined as income greater than 120 percent of the median family income.

Consumer Lending

Consumer loans originated within the credit union's assessment area in 2001, 2002 and YTD August 2003 were reviewed by borrower income levels.

The following table provides an analysis of a sample of 34 consumer loans originated within the credit union's assessment area by applicant income level. This analysis indicated 100 percent of the loans was granted to low- and moderate-income members.

Consumer Loans by Income of Borrower by Number

% of Median MSA Income	2001		2002		Y-T-D 2003		TOTAL	
	#	%	#	%	#	%	#	%
<50%	9	81.8	9	81.8	10	83.3	28	82.3
50% - 79%	2	18.2	2	18.2	2	16.7	6	17.7
80% - 119%	0	0.0	0.0	0.0	0.0	0.0	0	0.0
120% >	0	0.0	0.0	0.0	0.0	0.0	0	0.0
Total	11	100	11	100	12	100	34	100

Source: In-House Files

The information included in the table below indicates that, by dollar amount, all or 100 percent of the consumer loans were to low- and moderate-income members.

Consumer Loans by Income of Borrower by Dollar Amount

% of Median MSA Income	2001		2002		Y-T-D 2003		TOTAL	
	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%
<50%	72	85.7	95	83.3	121	84.6	288	84.4
50% - 79%	12	14.3	19	16.7	22	15.4	53	15.6
80% - 119%	0	0.0	0	0.0	0	0.0	0	0.0
120% >	0	0.0	0	0.0	0	0.0	0	0.0
Total	84	100	114	100	143	100	341	100

Source: In-House Files

The distribution of lending demonstrates the credit union's willingness to lend to members of low and moderate-income. The majority of the consumer loans were granted to single applicants. Therefore, the percentage of originations occurring in moderate-income levels would be higher than that of residential mortgage originations, where the income is usually the result of joint incomes and where the comparison is made to the standard of median family income.

Mortgage Lending

The following table provides a breakdown of 16 mortgage loans originated within the credit union's assessment area by applicant income level. The table indicates that 9 loans or 56.2 percent of the originations were granted to individuals of moderate-income and 2 loans or 12.6 percent were granted to low-income borrowers. Although the credit union made a small number of loans, it extended a high level of loans to low and moderate income members.

Mortgage Loans by Income of Borrower by Number

% of Median MSA Income	Y-T-D 2003	TOTAL
	#	%
<50%	2	12.6
50% - 79%	9	56.2
80% - 119%	3	18.7
120%<	2	12.5
Total	16	100%

Source: In-House Files

The information included in the table below indicates that the majority of mortgage loan originations by dollar amount, \$1,255,000 or 53.0 percent was granted to individuals of moderate-income. Also, of the total mortgage loans originated during the examination period, \$287,000 or 12.2 percent was granted to low-income members.

Mortgage Loans by Income of Borrower by Dollar Amount

% of Median MSA Income	Y-T-D 2003	TOTAL
	\$(000)	%
<50%	287	12.2
50% - 79%	1,255	53.0
80% - 119%	550	23.2
120%<	274	11.6
Total	2,366	100%

Source: In-House Files

The distribution of credit among borrowers of various incomes reflects a very good penetration among individuals of different income levels, including those of low and moderate-income. Therefore, the distribution of credit among different income levels is determined to exceed the standards for satisfactory performance.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

First mortgage lending activity within the assessment area was reviewed in order to determine the extent to which the credit union has penetrated its census tracts of different income levels.. The census tract incomes were based on 2000 census data.

The following table provides a breakdown of mortgage loans originated within the credit union's assessment area by census tract income by number. Information included in the table indicates that the majority of originations or 68.7 percent was located in moderate-income census tracts which is reflective of the demographics of the credit union's assessment area.

Distribution of Mortgage Loans by Census Tract by Number

Census Tract Income	Y-T-D 2003	TOTAL
	#	%
Low	0	0.0
Moderate	11	68.7
Middle	3	18.7
Upper	2	12.6
Total	16	100%

Source: 2003 HMDA/LAR Data

The following table provides a breakdown of mortgage loans originated within the credit union's assessment area by census tract income by dollar amount. Information included in the table indicates that the majority of originations or 70.2 percent was located within moderate-income census tracts, which is reflective of the demographics of the credit union's assessment area.

Mortgage Loans by Census Tract Income by Dollar Amount

Census Tract Income	Y-T-D 2003	TOTAL
	\$(000)	%
Low	0	0.0
Moderate	1,661	70.2
Middle	445	18.8
Upper	260	11.0
Total	2,366	100%

Source: 2003 HMDA/LAR Data

Based on the analysis of the geographic distribution of mortgage loans, lending among various census tracts is very good considering the fact that moderate income census tracts represent only 31.0 percentage of the credit union's assessment area. The credit union originated the majority of loans or 68.7 percent within moderate-income census tracts. Therefore, the credit union exceeds the standards of satisfactory performance in generating loans in the geographies which comprise its assessment area.

5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES

A review of the public comment file revealed that the credit union received no complaints pertaining to the institution's CRA performance since the previous examination.

FAIR LENDING POLICIES AND PRACTICES

Cambridge Portuguese Credit Union has developed a Fair Lending Policy, which was last approved by the Board of Directors in 2002. According to this policy the credit union is committed to the principles and practices of fair lending, and it is its policy to make sure all of its credit products are available to all applicants on a consistent and fair basis, provided that the applicant meets established guidelines of safe and sound lending.

The credit union's marketing activity includes placing information on its credit products and services in public view within the main lobby of its main office and branch. The credit union also includes statement stuffers in correspondence sent out to the members.

The credit union's staff appears to adequately reflect the community as a whole. There is a substantial number of employees who are bi-lingual in several languages including: Portuguese, French, Creole, Spanish and Arabic.

The criterion for the various types of credit offered, as well as the procedures for completing a loan application were reviewed during the examination. No practices intended to discourage applications were found.

The credit union sponsored several first-time homebuyer seminars in participation with Massachusetts Alliance for Portuguese Speakers MAPS, which has offices located in Cambridge, Somerville, Roxbury, Lowell and Allston. Interested individuals were referred to Allanach Mortgage.

The credit union has a second review policy in place. Loans facing adverse action are re-examined to ensure that underwriting criteria have been properly and fairly applied and that all compensating factors that could contribute to a loan approval have been taken into account and applied consistently. The second review process is completed by the credit committee which includes three directors.

Based on the foregoing information, the credit union meets the standards for satisfactory performance in this category.

DESCRIPTION OF OTHER ACTIVITIES

DONATIONS

The credit union was very active in its donations and contributions. Approximately \$25,000.00 was considered qualified contributions for the current examination period. It is also noted that the credit union donated several computer systems to YouthBuilld, a Roxbury based program where disadvantaged youths are trained in skills in order to be marketable in the employment arena. The majority of participants in this program are from low and moderate-income households. Youthbuild maintains an office within the Cambridge/Somerville area.

OTHER LENDING ACTIVITY

The credit union did not originate first mortgages in 2001 and 2002 however; the lending staff was very active in assisting members during the loan application process. Although these first mortgages were referred to and originated by Allanach Mortgage Corporation, the credit union assisted its members through completion of the application process, which included, pre-qualification and pre-approval letters, collection of all documents, helping members complete mortgage disclosures and attended the mortgage closings. Also, after the mortgage was closed, the credit union served as a liaison between Allanach Mortgage Corporation and the member. Management stated that if questions or problems arise with the member's mortgage, the credit union contacts Allanach Mortgage with the member present to help resolve their questions, problems or concerns. It is noted that a substantial number of members speak English as a second language. Due to the credit union's multi-lingual staffing, there is available assistance in several languages. In 2003 the credit union resumed its mortgage lending activity.

Branch Closing

The credit union closed a branch located in Lowell in 2003. Management indicated that the branch closing was mainly due to poor location, decreasing loan demand and limited market demand/increasing competition.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

CAMBRIDGE PORTUGUESE CREDIT UNION

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **September 11, 2003**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 _____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee, which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.